

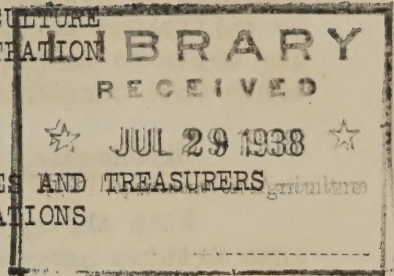
Issued July 1, 1938

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

NORTHEAST REGION

ACCOUNTING AND OFFICE PROCEDURE FOR SECRETARIES AND TREASURERS
AGRICULTURAL CONSERVATION ASSOCIATIONS
EXCEPT MAINE

Effective July 15, 1938.



Re: Claims and payments from producers in connection with freight, handling, and demurrage costs covering shipments of Triple Superphosphate.

The county committee shall be responsible for the designation of a reliable consignee who will act as the agent of the association in making delivery of triple superphosphate in accordance with the approved provisions for furnishing such material.

The county committee will be solely responsible for the checking of each shipment of triple superphosphate with respect to the quality, the quantity and the condition in which the shipment is received.

The first shipment received by the association from each contractor should be thoroughly analyzed to determine the chemical content of the phosphate and the number of pounds to the bag. A sufficient number of tests should be made on subsequent shipments to insure that the quality and quantity of triple superphosphate is in accordance with the specifications.

If the county committee discovers any shortage or damage, or if in their opinion the quality of the shipment is inferior to that contracted for, the committee shall immediately make a written report in duplicate of any such discrepancy and submit the original at once to the freight agent of the carrier or the operator of the truck, in case shipment is made by truck. The copy of this report will be attached to Form ACP-67 and submitted through the State Office to the Regional Office.

I - GENERAL INSTRUCTIONS

Freight and Handling Charges -

A rate of \$4.00 per ton will be paid to the association treasurer to cover freight and handling charges in connection with the

shipment of triple superphosphate. In some cases this rate will not be sufficient to cover such costs. The additional freight and handling costs to be paid by the treasurer of the association have been taken into consideration in determining Table #1 attached to NER-217.

Warehousing Agreements -

With the approval of the State Office, associations may enter into written agreements to store and handle shipments when delay has resulted due to the failure of producers to procure their shares. Any such warehousing costs will be borne by the producers affected and will be in addition to any other costs in connection with the shipment.

Extra Charges -

In some cases there may be additional handling costs together with demurrage charges both due to delay on the part of the producer in removing his share in the shipment. Any such cost will be borne by the individual producer. The rate per ton to the producer for this extra charge will be determined on a pro rata basis by the consignee in the following manner:

The total amount of extra charge (demurrage or handling, or both) up to the time the producer obtains his shipment divided by the number of tons on which the extra charge (demurrage or handling, or both) is to be made. For example:

John Doe and Richard Roe have 3 tons and 2 tons, respectively, in a shipment of triple superphosphate which they fail to call for before the beginning of a demurrage charge. The demurrage charge claimed by the carrier for the first day is \$5.00 for the car and for the second day \$4.00. John Doe obtains his share of the shipment on the second day after the beginning of a demurrage charge and pays $\frac{3}{5}$ of the first day's demurrage charge or \$3.00. Richard Roe calls for his share of the shipment on the third day and pays $\frac{2}{5}$ of the first day's demurrage charge or \$2.00, plus the entire charge for the second day or \$4.00, making a total of \$6.00. These charges are in addition to the straight rate of \$4.00 per ton paid by each producer for freight and handling.

Cancellation of Order by Producer -

Any producer who fails to take all or any part of his share in the shipment shall secure another producer or other producers who will take the amount of triple superphosphate in question. The substitute producer should be secured before the beginning of any demurrage charges on the shipment. If the substitute producer is not secured until after the beginning of demurrage charges, the

original producer will forfeit the straight charge for freight and handling (\$4.00 per ton) on his share in the shipment. Such funds will be used by the association to cover the demurrage, storage and/or other charges incurred by the producer in default of acceptance of shipment. If such charges are in excess of the payment made by this producer, the association will pay the difference as an expense item incurred by the association.

The substitute producer will pay the straight charge of \$4.00 per ton. Any demurrage charges or additional costs to be paid by the substitute producer due to delay in procuring his shipment will be computed from the date upon which he is notified by the consignee of the approval of his request for triple superphosphate.

The Treasurer of the Association -

The treasurer shall pay all charges in connection with the handling and distribution of the shipment, subject to the approval of the consignee. No charges should be paid by the producer other than those paid to the treasurer of the association.

II - OBTAINING AND ACCOUNTING FOR FUNDS USED IN HANDLING SHIPMENTS

1. Funds to cover Freight Charges (Form ACP-7) -

Associations should include on Form ACP-7, "Estimate of Administrative Expenses", an item sufficient to cover the estimated expense to be incurred in connection with the freight charges and handling costs on any shipment of triple superphosphate which it is estimated will be received by the association during the current month and before the 15th day of the subsequent month, irrespective of whether such charges have been collected in advance from the producers.

2. Collection of Charges (NER-Office Form 65) -

The secretary should, wherever possible, arrange for the collection of freight and handling charges prior to the arrival of the shipment, since the charges to the individual producer will be computed on the basis of the number of tons to be furnished at \$4.00 per ton. Collection of the charges in advance of receipt of the shipment will expedite the prompt delivery of the shipment and help to prevent additional charges because of demurrage. Upon receipt of the approved Forms ACP-65 and 66, the secretary should prepare for each shipment NER-Office Form 65.

3. Preparation of NER-Office Form 65 -

(a) Preparation of the Heading of the Form.

- A. - The name of the county.
- B. - The name of the State.
- C. - The Aaa number shown on the approved Form ACP-66.
- D. - The number of tons included in the shipment.
- E. - Date on which the shipment is received at the destination.
- F. - The freight charge on the shipment.
- G. - Total handling charge for the shipment including the services of the consignee. This entry will not include any charges due to delay on the part of any of the producers in obtaining their share of the shipment.
- H. - Total charge (demurrage or handling, or both) due to delay on the part of any of the producers in obtaining their share of the shipment.
- J. - The total of Column 6 less any items refunded, as provided in Section 4, will equal the entry for H.

(b) Preparation of the Body of the Form.

Column 1. The names of all producers whose approved requests are to be filled from the shipment. If for some reason a producer whose approved request was included in the original shipment order fails to accept all or part of his share, such part as was not accepted may be allotted to any other producer whose request has been approved. In this case the entry in Column 2 for the producer not accepting his share will be lined through in red with the correct amount entered and will be followed by the entry "See John Doe". The name of the latter producer if not included in the original shipment will be entered on NER-Office Form 65 in the same manner as the name of any of the other producers. If the name of the latter producer already appears on the form then the entry in Column 2 will be lined through in red and the correct amount entered. If this producer had paid for his share in advance, the entry in Column 5 will be corrected in the same manner.

Column 2. The number of pounds of material approved for each producer.

Column 3. The date on which the producer procures his share of the shipment.

Column 4. The date on which the producer pays the amount due the association for his share in the shipment.

Column 5. The amount of the straight charge paid by each producer, obtained by multiplying the number of tons procured by the rate of \$4.00 per ton.

If a producer has defaulted in acceptance of all or part of his share in the shipment and has been required to pay the straight charge of \$4.00 per ton (see "Cancellation of Order by Producer"), the word "default" will be entered in Column 5 beneath the entry for the amount of payment made by the producer.

Column 6. The total amount of any extra charges paid by the producer due to his delay in procuring his share in the shipment.

Column 7. The month covered by the Form ACP-8 on which the funds collected from the producer are reported.

4. Receipt for Charges Paid Prior to Arrival of Shipment -

Upon collection of charges prior to the arrival of the shipment, the treasurer of the association will receipt the producer's copy of Form ACP-64, Section III. In the event a producer who has paid for his share in advance does not accept any or all of it and secures a substitute producer, as provided in the instructions under "Cancellation of Order by Producer", the correct amount of money shall be refunded to him by the treasurer of the association. However, the full amount collected from the producer prior to the arrival of the shipment shall be entered on NER-Office Form 65, followed by the notation (in Column 6) "\$ _____ Refunded".

5. Delivery of Material to Producer -

The secretary of the association shall notify the producer at the earliest possible time of the place and date of the arrival of the shipment and of the charges that he will be required to pay prior to receiving his share in the shipment. Any charges not paid at the county association office prior to arrival of the shipment may be paid at the car, or point of delivery, to the treasurer of the association.

The consignee at the time of delivery of the material should have with him the original copy of Form ACP-64 covering the producer's order. Upon collection of the necessary charges by the treasurer of the association and the delivery of the material, the consignee will make the proper entries in the vertical columns under Section IV, Form ACP-64, "Receipt for Grant of Aid", enter the date of delivery and have the producer sign the form in the space provided for his signature. Form ACP-64 when signed by the producer should be returned promptly to the office of the association. Upon receipt of funds from a producer at the time of delivery of the shipment, the treasurer will receipt the producer's copy of Form ACP-64 for all such funds so received.

When the original Form ACP-64 has been properly receipted by a producer after delivery of the material, the treasurer will complete Section III (Form ACP-64) for such producer and make the necessary entries on NER-Office Form 65.

6. Reporting Claims for Charges (Forms ACP-9-10) -

Any claim submitted in connection with triple superphosphate must show the Aaa shipment number immediately following the name of the claimant.

(a) Freight Charges

A separate claim covering the freight charge on each shipment will be entered on the first monthly statement Form ACP-9 prepared by the secretary of the association after any such charge has been paid by the treasurer of the association. The claim will be entered in the name of the railroad company or carrier and must be supported by a freight bill receipted by the delivering agent of the carrier.

(b) Handling Charges

Unloading Charge

It may be necessary to incur charges for labor in connection with unloading triple superphosphate. Any such charges will be paid by the treasurer of the association and entered as a claim or claims on the first monthly statement Form ACP-9 submitted by the association after such charges have been incurred. The claims will be entered in the name of the treasurer of the association under "Miscellaneous" and must be supported with a receipt from the individual performing the services, acknowledging payment by the treasurer of the association.

Extra Charges

There may be extra charges incurred by the association over and above the regular charges. These extra charges will result from delay on the part of the producer in procuring his share in the shipment within the time set by the carrier. Such charges will cover demurrage, extra handling cost, storage and hauling. Any such charges are to be paid by the treasurer of the association and entered as claims in the same manner as the regular unloading charges covered in the above paragraph.

Personal Service Charges - Consignee

All claims submitted to the association by the consignee for personal services performed in connection with the delivery of triple superphosphate to the producer will be submitted on Forms ACP-9-10 under the title "Consignee" irrespective of whether the consignee is an officer, committeeman or employee of the association.

A consignee who is also an officer, committeeman or employee may be compensated at the same rate received for such services, i.e.: a consignee who is also a committeeman may be compensated at the same rate as a committeeman, etc. A consignee not otherwise employed by the association may be compensated at a rate not to exceed \$4.00 per day.

(c) Refund of Charges to Producers

Any refund to a producer in accordance with Section 4 will be paid by check drawn on the association by the treasurer. The amount of this refund to the producer will be entered on Form ACP-9 as a miscellaneous claim in the name of the treasurer supported by a receipt from the producer, acknowledging payment of the refund by the treasurer of the association.

7. Reporting Collection of Charges Paid by Producers -

All funds collected as charges from the producers will be recorded as received on NER-Office Form 65 and must be deposited in the bank by the treasurer of the association to the credit of the association's account. All funds so collected will be reported as a collection in line 1(c) of the first voucher Form ACP-8 submitted by the association after any such collection has been made. Particular care should be taken to see that a collection is reported only once.

All collections reported in line 1(c), Form ACP-8, must be supported by a statement in triplicate (one copy for the association, one copy for the State Office and the original copy to be forwarded to the Regional Office with the account) signed by the secretary and treasurer of the association, showing the amount reported in connection with each shipment, together with the Aaa number of each shipment.

III - TRANSMITTAL OF NER-OFFICE FORM 65

As soon as all collections and all necessary adjustments in connection with a shipment of triple superphosphate have been made, the NER-Office Form 65 covering such shipment should be certified by the secretary and treasurer of the association and forwarded to the State Office for approval.

The State Office after approval of the form should forward it to the Regional Office for Audit.

A. W. Manchester

A. W. Manchester,
Director, Northeast Division.